

## Community resources

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## Viewing cable 06ISLAMABAD17768, SEPTEMBER 9 F-16 SIGNING DOUBTFUL

If you are new to these pages, please read an introduction on the [structure of a cable](#) as well as how to [discuss them](#) with others. See also the [FAQs](#)

### Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

### Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g.

**#06ISLAMABAD17768.**

Reference ID	Created	Released	Classification	Origin
<a href="#">06ISLAMABAD17768</a>	<a href="#">2006-09-07 02:26</a>	<a href="#">2011-08-30 01:44</a>	<a href="#">CONFIDENTIAL//NOFORN</a>	<a href="#">Embassy Islamabad</a>

Appears in these articles:

<http://www.ndtv.com/video/player/news/wikileaks-us-cables-expose-pak-f-16s-image-problem/201017>  
<http://www.ndtv.com/article/wikileaks-revelations/us-cables-expose-pak-f-16s-image-problem-108985>

VZCZCXRO3176  
PP RUEHDBU  
DE RUEHIL #7768/01 2500226  
ZNY CCCCC ZZH  
P 070226Z SEP 06  
FM AMEMBASSY ISLAMABAD  
TO RUEHC/SECSTATE WASHDC PRIORITY 9826  
INFO RUEHTA/AMEMBASSY ALMATY PRIORITY 9589  
RUEHAH/AMEMBASSY ASHGABAT PRIORITY 1097  
RUEHEK/AMEMBASSY BISHKEK PRIORITY 3793  
RUEHLM/AMEMBASSY COLOMBO PRIORITY 0899  
RUEHKA/AMEMBASSY DHAKA PRIORITY 1627  
RUEHDBU/AMEMBASSY DUSHANBE PRIORITY  
RUEHBUL/AMEMBASSY KABUL PRIORITY 6138  
RUEHKT/AMEMBASSY KATHMANDU PRIORITY 7034  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9217  
RUEHNT/AMEMBASSY TASHKENT PRIORITY 1781  
RHEHNSC/NSC WASHDC PRIORITY  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 5761

C O N F I D E N T I A L SECTION 01 OF 02 ISLAMABAD 017768

SIPDIS

NOFORN

SIPDIS

DEPT FOR P, EUR, NEA, PM, IO

E.O. 12958: DECL: 09/05/2016

TAGS: [PK](#) [PREL](#) [MOPS](#) [UN](#) [MARR](#)

SUBJECT: SEPTEMBER 9 F-16 SIGNING DOUBTFUL

Classified By: CDA Peter W. Bodde, Reasons 1.4 (b) and (d)

¶1. (C) Summary: GOP sources told Office of Defense Representatives Pakistan (ODRP) September 6 that the scheduled September 9 signing of the F-16 LOA would not happen. The same day, MODP (Ministry of Defense Production) sent ODRP a memo requiring an unspecified per-plane price cut; significant (USD 800-900) off-sets; better financing terms via the USG; and changes in the payment schedule. MG Helmly met with senior PAF and MOD officials September 5. He impressed upon his interlocutors the importance of meeting the September 15 signing deadline. End Summary

¶2. (C) On September 5, post learned that the planned September 9 signing of the LOA for Pakistan's purchase of eighteen F-16s was in peril. MG Helmly, ODRP, promptly met with Air Chief Marshall Tanvir, who told him that the PAF still wanted to go forward with the F-16 purchase but that "the ball was in MODP's (MOD Purchase's) court." Tanvir noted it was increasingly unlikely the LOA would be signed by the contracted September 15 offer expiration date. On September 6, MODP verbally informed ODRP that the ceremony would not occur on September 9th. It also sent a written request for an extension of the September 15 offer expiration date to December 31 2006.

¶3. (C) In its September 6 written request to ODRP, MODP requested unspecified per-plane price reductions. It also asked for offsets from Lockheed Martin equaling USD 800-900 million - 30 percent of the value of the program. During his September 5 meetings, MG Helmly had noted that the contract had been negotiated at a very low per-plane cost. LM had not planned for major off-sets or financing challenges. He also reminded interlocutors that MOD/P had been represented at the contract negotiations with LM.

¶4. (C) MODP also requested improved terms of financing and changes in payment schedules. The PAF separately told ODRP it would seek "assurances" on matters such as delivery schedules and security requirements.

¶5. (C) MG Helmly stressed that timing was crucial. If the GOP did not sign the LOA by September 15, the USAF could not complete contract negotiations with LM by 30 November, which in turn would force LM to shut down F-16 production due to lack of orders. At the very least, the GOP would then face a USD 39 million increase in contract price.

¶6. (C) Interlocutors told MG Helmly that President Musharraf had promised the Finance Ministry to raise the F-16 issue with President Bush during their upcoming bilateral. ODRP notes that MODP is aware that the USG cannot fund off-sets, as they involve an agreement between the vendor and the GOP to which the USG is not a party. A Lockheed Martin VP arrived in Islamabad September 6 to meet with GOP officials.

¶7. (C) Comment: The GOP's recent experiences with procurement deadlines might lead them to believe that all deadlines are flexible. We have repeatedly explained that missing the September 15 offer expiration date (OED) will result in significant added costs for the GOP -- costs which the USG

is unable to cover. We believe that the Ministry of Defense Production has not understood the limitations of Lockheed Martin's price flexibility nor the constraints on the USG's ability to influence the final price or offset any additional costs caused by the GOP's indecision. ODRP is meeting with MODP on September 7 to reinforce the importance of the September 15 date.

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